



UNIVERSAL HEALTH CARE  
FOUNDATION OF CONNECTICUT  
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## Testimony in Support of HB 7174

### An Act Concerning Prescription Drugs

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Universal Health Care Foundation of Connecticut thanks the Insurance and Real Estate Committee for the opportunity to submit testimony in support of House Bill 7174: An Act Concerning Prescription Drugs.

At Universal Health Care Foundation, we envision a health system that is accountable and responsive to the people it serves, and that supports our health, takes excellent care of all of us when we are sick, at a cost that doesn't threaten our financial security. We also envision a system that continues to be an important source of quality employment and vitality in our communities. We're here today because we continue to believe in that vision, and we are glad to see Connecticut being a leader among states trying to address the problem of unaffordable prescription drugs.

Connecticut has a lot to be proud of. We passed legislation in 2017 that allowed people to pay the lower amount between the actual cost of their medication or their co-pay. During the following year, the Health Care Cabinet conducted a major study of prescription drug costs that culminated in a strong list of recommendations published in a report in early 2018. Following up on those recommendations, the General Assembly passed major transparency legislation, so the state can collect data that will help with future regulatory efforts to rein in prices.

But transparency legislation, while an important first step, takes time to produce results. Meanwhile, drug manufacturers are raising prices twice a year on most brand name drugs. And the pharmaceutical industry continues to rake in record profits and spends more of our hard-earned dollars on lobbying and marketing than on research and innovation.

Connecticut residents can't wait. People are suffering every day in our state because they can't access the medications then need to survive and thrive. A poll conducted by Altarum's Healthcare Value Hub in 2018 found that 20% of respondents were rationing their medicine, either cutting pills in half, skipping a dose and/or not filling a prescription at all. I'm sure many legislators hear regularly from their constituents about the challenges they face to afford prescription drugs and the negative impact it is having on their health.

The poll also asked whether people are worried about affording their prescription drugs in the future. The level of worry is high. Half of people with employer sponsored insurance are worried about affording their drugs. A much higher percentage of people who purchase insurance on their own, 64%, are worried about affording their drugs in the future. And among those who take prescriptions regularly, almost all of them -- 88% -- are worried.

In my role as Senior Policy Officer at the Foundation, I monitor what the federal government and other states are doing to address rising prescription drug prices. While there is a lot of activity in Washington DC right now, it is unclear which of the many ideas under consideration will actually move forward. Meanwhile, the "laboratory of the states" is responding to the fact that people can't wait, that state residents need real relief from rising prescription drug costs now.

One of the reasons prices are so high in Connecticut and in the United States is that our negotiating power is fragmented among multiple insurers, pharmacy benefit managers (PBMs), self-insured employers and government programs. HB 7174 proposes to address that problem by allowing state residents to benefit from the negotiating power of the state employee health plan. We support the Comptroller's effort to offer an option to municipalities and self-insured companies in Connecticut to allow their employees to purchase prescription drugs at the price negotiated by the state employee plan. With the rapid shift to plans that have high deductibles and plans that rely on co-insurance, employees are paying more and more of the cost of their prescription drugs directly, so they will clearly benefit from lower prices.

We also support the creation of a discount card that could allow uninsured and under-insured individuals who are paying out of pocket out of pocket for their prescriptions to buy them at the price negotiated by the state employee health plan, rather than at list price.

We applaud the effort in Section 3 of the bill to address "pay for delay" tactics that keep lower cost generic drugs off the market. It will be important to find a way that this provision can be implemented without inviting a legal challenge.

Finally, it is certainly worth a try to investigate the possibility of importing drugs manufactured in other countries into our state to benefit from their much lower price tags. Ultimately, though, we need to fight for lower prices in our own state and country. That is why it is so gratifying to see a bill that seeks to leverage the bargaining power that we already have in the state employee health plan to benefit more Connecticut residents.

*Universal Health Care Foundation of Connecticut's mission is to serve as a catalyst that engages residents and communities in shaping a democratic health system that provides universal access to quality, affordable health care and promotes health in Connecticut. We believe that health care is a fundamental right and that our work is part of a broader movement for social and economic justice.*